

[For Immediate Release]



JY Grandmark Announces 2019 Annual Results

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**Focused on “Eco-friendly and People-oriented Property” Market Segment
Achieved Rapid Growth in Revenue and Profit
Core Net Profit Increased Significantly by 171.0%
Gross Profit Margin Up By 9 percentage points**

Financial Highlights

RMB Million	Year ended 31 December		Change
	2019	2018	
Revenue	2,402.8	1,328.9	+80.8%
Gross profit	1,144.2	512.6	+123.2%
Gross Profit Margin	47.6%	38.6%	+9 pts
* Core net profit	446.9	164.9	+ 171.0%
Profit attributable to shareholders	501.5	386.5	+29.8%
Basic earnings per share (RMB)	0.41	0.32	+28.1%
Final cash dividend per share (RMB Cents)	9.14	N/A	N/A

* Core net profit represents profit for the year excluding the post-tax gains arising from changes in fair value of investment properties and disposals of subsidiaries.

(26 March 2020, Hong Kong) **JY Grandmark Holdings Limited** (“**JY Grandmark**” or the “**Company**”; together with its subsidiaries, the “**Group**”, stock code: 2231), a property developer, operator and property management service provider based in the People’s Republic of China (the “**PRC**”), is pleased to announce its annual results for the year ended 31 December 2019 (the “**Year**”).

JY Grandmark was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on December 5, 2019, and officially entered the international capital market. This is an important milestone for the development of JY Grandmark, marking the Group’s entry into a stage of accelerated development and expansion. The Group positions itself as an “Eco-friendly and People-oriented Property Developer” and acquired land reserves in strategic locations with abundant natural resources, rich culture and potential for growth. The Group takes into account the natural and cultural resources of its project site in the design of properties to develop homes and communities that the Group considers to be truly liveable for buyers. This accurate positioning differentiates the Group from other property developers in the PRC.

During the Year, the Group's revenue was RMB2,402.8 million (2018: RMB1,328.9 million), representing an increase of 80.8% year on year ("yoy"). The Group's gross profit amounted to RMB 1,144.2 million (2018: RMB512.6 million), representing an increase of 123.2% yoy. The Group's gross profit margin increased by 9 percentage points ("ppts") from 38.6% in 2018 to 47.6%. Core net profit amounted to RMB446.9 million (2018: RMB164.9 million), representing an increase of 171.0%. Profit attributable to shareholders amounted to RMB501.5 million (2018: RMB386.5 million), representing an increase of 29.8%.

JY Grandmark operates a diversified business portfolio, the core businesses of the Group are property development and sales, hotel operations, property management, and commercial properties investment. During the year, all segments have achieved good expected returns and increased brand reputation.

Property development and sales business performed satisfactorily with both volume and prices rising

The Group focuses on the market segment of "Eco-friendly and People-oriented Property" to build distinctive properties. By seizing the rigid demand of customers for improving their living environment and space, the Group is aiming to provide high-quality products and services to customers with purchasing power. Therefore, the Group's product positioning and premium pricing power are strong. JY Gaoligong Town (景業高黎貢小鎮) of Tengchong project is a work in "Hui style (徽派)" architecture that targets at the underserved "modern Chinese style" niche segment in regional market. Various apartment types and product style are built according to the living habits of major target cities such as Beijing and Xi'an, making customers willing to complete purchases on their first visit. The outcome of destocking and price trends are satisfying.

The Group focuses on the development of quality residential properties with comfortable and convenient living environment. During the year, revenue from recognized sales of property development of the Group amounted to RMB2,290.3 million, representing an increase of 83.8% as compared with RMB1,245.8 million in 2018. The increase was mainly attributable to higher recognized average selling price as well as the aggregate GFA delivered in 2019. During the year, the average selling price ("ASP") was RMB 19,125 per sq.m., an increase of 14.7% from RMB 16,672 per sq.m. in 2018.

Gross profit margin from property development and sales increased from 40.4% in 2018 to 49.1% in 2019. Such increase was primarily due to the contribution from sales of JY Lychee Town Phase II, JY Clearwater Bay No. 3 Phases VI and VII, which attained gross profit margin ranging from 47.8% to 51.1% in 2019 resulting from higher recognized ASP.

Currently, JY Grandmark has a property portfolio of 30 property projects in Guangdong, Hainan, Yunnan and Hunan, with an aggregate GFA of approximately 3,000,000 sq.m., comprising completed properties available for sale or lease with an aggregate GFA of 220,000 sq.m., properties under development with an aggregate GFA of 820,000 sq.m. and properties held for future development with an aggregate GFA of 1,960,000 sq.m.. The Group has managed to secure a sufficient supply of land resources for property development over the coming three or more years.

Effective diversification strategy

During the year, the Group's core businesses recorded satisfactory growth. Property Management segments of the Group took over about 900 houses during the year. Zhuodu Property, one of its property companies, owns a chargeable area of approximately 300,064 square meters and will increase the chargeable areas of different types of properties through multiple channels. It is expected that there will be a significant increase in property companies' business scale and operating income in 2020. At present, Zhuodu Property is prepared for business improvement by virtue of its well-established brand system. During the year of 2019, revenue from property management of the Group amounted to RMB14.4 million, representing an increase of 121.5% as compared with RMB6.5 million in 2018. The increase was mainly due to increase in total GFA of the properties under management.

The Group's currently self-operated hotels such as the Just Stay Hotel (廣州卓思道酒店) and Just Stay Resort (從化卓思道溫泉度假酒店) have achieved sustainable growth. Besides, such hotels have also reached agreements with a number of governments, chambers of commerce, enterprises, etc. to be the designated or contracted hotels, and won the most popular hotel awards from platforms such as Ctrip. During the year of 2019, revenue from hotel operations of the Group amounted to RMB73.8 million, representing an increase of 10.8% as compared with RMB66.6 million in 2018. It was primarily attributable to the increased revenue generated from Just Stay Resort.

Other than holding properties for development and sales, the Group also owns commercial properties for leasing purpose. During the year of 2019, revenue from commercial property investment of the Group amounted to RMB24.2 million, representing an increase of 142.0% as compared with RMB10.0 million in 2018. The increase was mainly due to increase in total GFA leased throughout the year of 2019.

Mr. Michael Chan, Chairman and Executive Director of JY Grandmark said, "Looking ahead to 2020, the uncertainty over the global spread of the epidemic may hit confidence of both investors and consumers, coupled with financial market turmoil and general economic activities have been affected by the epidemic, likely resulting in adverse impact on the real estate industry. In view of the above, the Group is cautious about the outlook of the domestic real estate market. However, the market expects the central government will introduce policies to support the real estate industry, one of the economic pillars, so as to offset the negative impact of the epidemic in an active manner. In the long run, real estate policies will remain stable, which will be conducive to promoting the healthy and sustainable development of the real estate industry."

In the face of such a challenging market environment, the Group will adhere to sound financial strategies, prudent land purchase strategies, and respond flexibly to the rapidly changing market conditions, in an effort to further consolidate its advantages in the high-growth market segments, and to grasp the continuously increasing housing demand from people with fundamental demand and looking for home upgrade in the long term. The Group will add land parcels of desirable quality to the land reserve in the regions where it has presence, such as acquiring more high-quality lands in the Guangdong-Hong Kong-Macao Greater Bay Area (粵港澳大灣區) and Yunnan, so as to gain further market share. The Group will also evaluate the feasibility of establishing a presence in more potential cities such as Yangtze River Delta, Shaanxi and other regional markets, focusing on core cities and cities with population inflow in the national economic strategic zone.

The Group has achieved its goal of IPO in six years, which denotes the recognition and affirmation of the Group by the capital market. In the future, while expanding its business scale and promoting diversification, JY Grandmark will continue to adhere to its positioning of "Eco-friendly and People-oriented Property Developer", maintain financial stability, strengthen its own financing capabilities, improve product development and enhance brand reputation. We are confident that our business will continue to flourish and realize high quality and high earnings. We are committed to delivering satisfactory performance to shareholders and quality works to customers."

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About JY Grandmark Holdings Limited

JY Grandmark is a property developer, operator and property management service provider based in the PRC, and principally offered residential properties in Guangdong and Hainan provinces during the track record period. It has land resources in Guangdong, Hainan, Yunnan and Hunan provinces for its future development. The Group positions itself as an “Eco-friendly and People-oriented Property Developer” and acquired land reserves in strategic locations with abundant natural resources, rich culture and potential for growth. The Group takes into account the natural and cultural resources of its project site in the design of properties to develop homes and communities that the Group considers to be truly liveable for buyers. This accurate positioning differentiates the Group from other property developers in the PRC. As at 30 September 2019, the Group had a property portfolio of 30 property project phases in 10 locations with an aggregate GFA attributable to it of approximately 3.0 million square meters.

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